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ADMINISTRATIVE AND BUDGETARY ASPECTS OF THE FINANCING OF THE UNITED NATIONS PEACE-KEEPING OPERATIONS

Effective planning, budgeting and administration of peace-keeping operations

Report of the Secretary-General

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I. INTRODUCTION

1. The present report is submitted in response to General Assembly resolution 47/218 B of 14 September 1993, in which the Assembly requested the Secretary-General to submit a comprehensive report on all issues which affect the successful operation and administration of peace-keeping operations. The report also contains the Secretary-General's response to General Assembly decision 48/472 B and supplements his report on improving the capacity of the United Nations for peace-keeping (A/48/403-S/26450): specifically, it addresses in a systematic and detailed manner the questions and problems raised by Member States and the Advisory Committee on Administrative and Budgetary Questions in relation to the planning, budgeting and administration of peace-keeping operations (A/47/990).

2. The recent dramatic increase in calls for the United Nations to undertake peace-keeping and other operations has been well documented. From 8 active missions in mid-1990 with an annual budget of approximately US$ 600 million, workload has grown to more than 29 field missions at over $3 billion in 1994. From some 10,000 military and 5,000 civilian personnel in 1990, United Nations peace-keeping operations now involve over 75,000 military and 13,000 civilian personnel. In addition, the scope of mission mandates has expanded from cease-fire monitoring and truce observation to include provision of electoral support, human rights monitoring, civilian police monitoring and training, military demobilization, demining, even limited nation-building and humanitarian support. The United Nations capacity to implement and support such operations has lagged far behind this demand.

3. The growth in the number and scope of peace-keeping and other operations established by the Organization requires effective planning, preparation and implementation. The Organization's operational and management capacity needs strengthening to prepare for the exponential increase in the number and scope of such operations the United Nations has been entrusted to implement. The United Nations needs to prepare itself adequately in order to implement rapid expansions and contractions of operations on the basis of an agreed target, full authority to plan and the necessary financial, human and other resources. The planning and implementation capacity of the Organization must be improved and strengthened if it is to move forward decisively to carry out all aspects of peace-keeping operations.

4. At the outset, it would be essential to determine what the Organization should be prepared for, what level of workload should be anticipated for a given period, and how much time would be acceptable between the decision to establish a mission and its deployment. The Organization should be ready to field small missions within 48 hours of legislative authorization; start-up times to achieve operational self-sufficiency in general should be no more than 10 days to a month for a small mission (e.g. up to 500 personnel), two to three months for a medium-sized mission (e.g. up to 5,000 personnel) and four to five months for a large mission (e.g. above 5,000 personnel).

5. Achieving and maintaining preparedness for peace-keeping operations will require a managerial capacity, effective working methods and procedures,

personnel, supplies and funding. The Organization should have a surge capacity in civilian administrative and technical staff, with adequate arrangements to engage contractual labour (see the report of the Secretary-General on use of civilian personnel in peace-keeping operations (A/48/707)); Member States have been requested to provide troops and/or civilian police on short notice; reserve stocks of basic equipment in "start-up kits" will need to be maintained for immediate shipment; contingency contracting arrangements will be required for immediate availability of pre-specified off-the-shelf equipment or supplies; arrangements will have to be in place to effect the shipment of personnel and supplies to a mission area; and, most importantly, the commitment authority and funds will have to be readily available to support the start-up of the operation.

6. These and other issues affecting the successful operation and administration of the growing number of peace-keeping missions are discussed below. Annex I to the present report contains a summary of the comments of the Secretary-General on the observations and recommendations of the Advisory Committee on Administrative and Budgetary Questions.

II. PLANNING

7. Given the increasingly complex, multifaceted environment of peace-keeping operations, a systematically structured, methodical approach to mission planning is necessary, with assumptions based on, for example, the increasing number of missions with consequentially increased requirements in numbers of personnel and equipment. This approach must incorporate planning mechanisms to facilitate a rapid response for mission start-up, while simultaneously producing a comprehensive plan to execute, sustain and eventually liquidate the mission.

A. Survey mission handbook

8. An essential element in the planning and development of a mission budget is the survey mission to the proposed area of operations. The objective of the survey mission is to identify the requirements of the prospective peace-keeping mission, specifying and quantifying the support elements necessary for its successful undertaking, and then to report its findings and recommendations in a manner suitable for developing an achievable operational plan and an accurate budgetary analysis.

9. A survey mission handbook is being developed as a comprehensive guide for the initial stages of organizing a peace-keeping operation (see annex II). It will establish detailed requirements based on local conditions taking into account host government/authority commitment and provide standards for reporting this information.

B. Standardized framework for cost estimates

10. By incorporating historical data and lessons learned from various field operations, as well as current planning methodologies, planning staff will be

able to project the critical planning path for new operations, specify the equipment requirements and support infrastructure, and ensure sound budget estimates using the Standard Cost Manual (see para. 26 below).

11. One of the difficulties faced at the outset of a peace-keeping operation is the need to provide estimated financial implications for a proposed course of action prior to full development of the operational plan of the mission. A standardized framework for such projections is being designed to delineate the basic requirements for initiating operations of varying sizes and mandates. The framework will provide the management and planning staff with common sets of assumptions regarding staffing, service and equipment requirements early in the mission's development, providing a basis for projecting costs. The estimated costs for the mission will be further refined as the planning proceeds and the technical survey mission is deployed.

12. The costs will be presented by major categories of expenditure and will indicate the start-up or one-time costs and the monthly estimated recurring costs for each category.

13. The initial financial implications of a proposed mission, prepared according to this standardized framework, will be the basis for the Security Council and the General Assembly to establish a mandate and authorize the initial spending authority for the mission.

C. Survey of humanitarian issues

14. In paragraph 10 of its report (A/47/990), the Advisory Committee requested that the Secretary-General provide a clearer definition of the short-term humanitarian requirements of a mission and the long-term needs with a view to achieving greater consistency in the proposed financing of those activities. It is of vital importance to ensure that efforts to provide humanitarian assistance to the civilian population of a conflict should fall under the overall umbrella of the peace-keeping operation. It is, therefore, important that an assessment of needs for humanitarian assistance be undertaken at the earliest stage in the planning. Secretariat experts in humanitarian affairs will be included in the initial survey mission so as to identify the overall humanitarian assistance requirements to be considered when developing the concept of operations for each new mission. Where normal social structures in the proposed area of operations are devastated, the concept of operations should as a minimum provide for United Nations leadership of humanitarian activities in the mission mandate and, as necessary, emergency medical care and emergency food supplies for the affected population, pending the receipt of voluntary contributions for that purpose. A voluntary trust fund would therefore be established by the Secretary-General during the start-up phase of the mission for financing such humanitarian activities.

III. BUDGETING AND FINANCE

A. Financial authority

15. Following the passage of the Security Council resolution establishing the mandate for a mission, its implementation is normally expected to begin without delay. One of the most crucial factors affecting this is the availability of financing. The report of the Secretary-General on improving the capacity of the United Nations for peace-keeping (A/48/403-S/26450) has addressed the provision of advance spending authority and access to readily available funds, which determine the ability of the Organization to respond rapidly. For the start-up of a mission, it is necessary to purchase, transport and install required equipment, charter aircraft, enter into contracts for services, identify and assign or recruit personnel, and contract or construct temporary accommodation. The estimates for minimum funding required to procure equipment or services to begin the mission and to sustain it for three months could be regarded as the start-up costs. Upon adoption of the Security Council resolution establishing the mandate for the mission, the estimated financial implications, together with the appropriate budgetary information, will form the basis for the commitment authority to be approved by the General Assembly. In this connection, the Secretary-General reiterates his proposal that Member States be assessed for one third of the total estimates presented in the financial implications provided to the Security Council in order to meet the start-up costs (A/48/403-S/26450, para. 52).

B. Mission budget formulation

16. The Advisory Committee recommended in its report (A/47/990) that the volume of documentation be limited by reducing the narrative text and including more tables and graphics to illustrate and substantiate the presentation of financial information. It was further indicated that cost estimates for budget purposes required clearer explanation and substantiation, including full justification for senior-level posts. In that context, the Committee was advised that a manual was being developed describing the generic equipment and service requirements for peace-keeping operations, along with standard unit costs. Further, the Secretariat has taken measures to improve the presentation of financial information. Efforts continue to be made to enhance transparency and fuller justification of budget estimates and performance reports, through concise, graphically illustrated submissions containing more figures and less text. Standardization will be pursued wherever possible.

C. Peace-keeping budget cycle

17. The financial cycles of the 15 ongoing United Nations peace-keeping operations financed from special accounts cover different periods of time, since each one is linked to the mandate period approved for each mission by the Security Council. While most mandates are for six months' duration, they are sometimes extended for shorter periods. In general, each time a mandate is renewed, a specific financial authority is requested through the Advisory Committee on Administrative and Budgetary Questions, which requires the

preparation of a financial performance report for the most recent period and cost estimates for the new mandate period.

18. As indicated in the earlier report of the Secretary-General (A/48/403-S/26450), it is proposed that all ongoing missions that have attained stability in their operation be budgeted for at an annual maintenance level. The operations of the United Nations Disengagement Observer Force (UNDOF), the United Nations Interim Force in Lebanon (UNIFIL), the United Nations Peace-keeping Force in Cyprus (UNFICYP) and the United Nations Iraq-Kuwait Observation Mission (UNIKOM) would fall into this category. The annual budget for the coming year would be approved by the General Assembly, but assessment of Member States would be subject to the renewal of the mandate of each operation by the Security Council.

19. Annual budgets could also be approved for missions that have not been able to implement their mandates fully owing to developments in the mission area. In the event that developments would warrant an increase in their resources based on appropriate Security Council resolutions, additional funding could be sought through revised estimates submitted to the General Assembly. The operations of the United Nations Mission for the Referendum in Western Sahara (MINURSO) and the United Nations Angola Verification Mission (UNAVEM) would fall into this category.

20. The usual assumptions on which annual operational requirements are based cannot be fully applied to peace-keeping operations that are relatively new or whose requirements are uncertain owing to changes in mandates. It should also be borne in mind that the analysis and preparation of a budget submission requires a considerable amount of time from the beginning of the preparation of the budget to the publication of the document in the official languages; thereafter the Advisory Committee on Administrative and Budgetary Questions reviews the Secretary-General's submission and adopts its report; after which the Fifth Committee starts its review. Therefore a reasonable cycle for budget preparation, submission and review must be established.

21. In view of this, it is proposed, on the basis of cost estimates for 12 months for these missions, to seek approval for the current mandate period together with monthly commitment authority at a maintenance level for a further three to six months subject to the extension of the mandate by the Council. Assessment on Member States, on the other hand, would be limited to the current mandate period and subsequent assessments would be subject to the extension of mandates approved by the Security Council during the succeeding mandate period. It should be noted that the Security Council could, at any time, decide to enlarge, reduce or introduce additional responsibilities to the mandate of these missions. If such changes were to happen, a supplemental report on the financing of the particular mission would be submitted to the General Assembly in order to provide Member States with updated information.

22. With regard to assessment on Member States, it should be reiterated that in those cases where annual budgets are approved, assessments will be made subject to the renewal of respective mandates by the Security Council.

D. Budget estimates

23. The efforts currently under way to streamline the budget process entail a fundamental shift in budget planning and preparation methods. Future budgets will be prepared through the translation of a comprehensive operational plan into technical requirements. The following specific steps have been taken to introduce a more structured approach to budget preparation:

(a) Each budget for a new operation is being formulated on the basis of substantive background information, including information on infrastructure, topography, local conditions, availability of goods and services and so on, which is compiled by the survey mission based on the Security Council mandate;

(b) The increased scope of peace-keeping missions has led to larger and more complex missions, as well as to more challenging Security Council mandates and objectives. This requires a design process to ensure that mission objectives are specifically identified, that operational requirements are met and that missions are configured in a manner that reflects the optimum use of both civilian and military resources;

(c) The budget submission process is being enhanced by standardizing budget planning and submission practices and directly linking standard cost rates with operational requirements and relationships, thereby improving the accuracy of the estimates.

24. As part of the process of standardization, future budgets will contain a uniform set of annexes as listed in annex IV and described further below.

25. In an effort to address the problems of presentation of peace-keeping cost estimates, the following specific changes are being introduced with emphasis on standardization, transparency and concentration on issues of substance:

(a) A standard set of job descriptions will be prepared. They will consist of brief descriptions of functions for international staff positions, in the Professional category and above. Any variations for specific missions would be communicated as needed;

(b) Future submissions will include four new components (listed in annex IV as items II, VI, IX and X):

(i) A monthly phased budget, which will show the planned month-by-month expenditure in thousands of dollars;

(ii) An organigram showing all major components or divisions, functions and locations;

(iii) A table of statistics and ratios that would highlight deviations from standard interrelationships between staffing, vehicles, communications equipment, computers, and so on;

(iv) A table showing proposed phasing-in of military and civilian personnel on a month-by-month basis.

E. Standard Cost Manual

26. The Standard Cost Manual currently in use is being expanded, outlining technical specifications and standard unit costs for the different types of equipment and supplies that tend to be used in most peace-keeping missions. The application of standard unit costs will promote consistency and transparency in the budgeting process and will allow performance reports to concentrate on explaining deviations from the budget projections arising from altered quantities, variable unit costs, modified technical requirements or a combination of factors.

27. The Standard Cost Manual divides items into functional categories and identifies technical specifications and unit costs for all entries. The broad categories of included costs are listed in annex III.

F. Funding of public information activities

28. With reference to the observation of the Advisory Committee regarding public information activities for the promotion of peace-keeping operations (A/47/990, para. 35), the provisions of the regular programme budget of the Organization should be utilized for public information material in general and for dissemination of information related to peace-keeping operations in particular. However, when public information activities are specific to a particular operation, such as informing the local population in a mission area about election or human rights monitoring, disarmament, rehabilitation and so on, and include the functions of a mission spokesperson in addressing international media, these costs will continue to be covered from the individual peace-keeping budget account.

G. Performance reporting

29. Currently reports on budget performance for one period are presented in conjunction with the budget estimates for the next period. This means that performance reports have to be prepared well before the end of a budget period; as a result those reports are necessarily largely projections based on planning assumptions rather than empirical data. Three months is recognized as the minimum period required for follow-up of accounts from the missions and the recording of personnel actions, purchase orders, accounting documents and other commitments. If performance reports were to be considered separately from the budget estimates and presented at least three months after the end of the budgeted period, it would be possible to provide a much more accurate comparison between the approved budget and the actual expenditures.

30. As recommended by the Advisory Committee, such performance reports would also contain tables showing the proposed versus actual deployment of troops, civilian police and civilian staff, based on complete and factual information received from the field missions. This monthly deployment information will include the following:

(a) Military personnel

(i) Observers;

(ii) Troops;

(b) Civilian police;

(c) Civilian personnel

(i) International Professional staff, by grade;

(ii) General Service staff;

(iii) Field Service staff;

(iv) Security Service staff;

(v) Local staff;

(d) International contractual staff;

(e) United Nations Volunteers.

31. The future performance report will provide a brief but complete overview of the mission's activities during the period covered by the report, as well as a brief explanation of any significant variations in actual expenditure from the initial budget estimates. Summary data on the premises, aircraft and vehicles will also be included.

H. Treatment of budgetary surpluses

32. To date, surpluses including unencumbered balances that are available upon a mission's completion have been credited to all Member States regardless of the status of their contributions. In particular, distributions of credits in the case of the United Nations Transition Assistance Group (UNTAG) (see resolutions 45/265 of 17 May 1991 and 47/207 of 22 December 1992) and the United Nations Observer Group in Central America (ONUCA) (see resolution 47/234 of 14 September 1993) were carried out in accordance with the Organization's Financial Regulations and Rules. Regulations 4.3, 4.4 and 5.2 have the effect of returning to Member States the balance of appropriations not required to discharge obligations in respect of goods, supplies and services rendered in the financial period or to liquidate any other outstanding legal obligation of the financial period. Consequently, the UNTAG and ONUCA surpluses were distributed among all Member States on the basis of their rate of assessment. The distributions were used to credit those Member States which had paid their assessments in full and to adjust downward the financial obligations of those which had outstanding contributions to the Organization. As a result, Member States that had paid in full had at their disposal a cash credit for refunding or application against outstanding contributions for other United Nations activities.

33. It should be noted that for ongoing missions the crediting to Member States of unencumbered balances from recent financial periods has served to reduce new assessments on numerous occasions, again allowing all Member States to share the benefit in proportion to their rate of assessment.

34. In the context of recent debates on the financing of peace-keeping operations in the Fifth Committee, proposals were made by some Member States to modify the current procedures, amounting to delaying the access to credit of Member States that have not paid in full until such time as they have done so. Such a procedure might encourage some Governments to pay sooner. The level of outstanding contributions shown in the monthly status report under this proposed procedure would be exclusive of the credit until full payment had been received.

35. The Secretariat understands that the rationale for such a proposal is to encourage Member States to make early payments of their assessments and to help improve the Organization's cash flow situation. On the other hand, administratively the proposal would add another layer of monitoring, record keeping and correspondence with Member States. The increase in administrative burden would have to be examined in the context of the political and financial results to be achieved. It is not possible to estimate the extent to which the new procedure would improve the Organization's cash flow situation. Moreover, the precise modalities governing this proposal would have to address the issue that Member States may unilaterally take credit by electing to pay the net amount of their outstanding contributions (outstanding amount minus credit).

36. In this connection it may be of interest to Member States that one specialized agency, the United Nations Educational, Scientific and Cultural Organization (UNESCO), follows a procedure that limits the disposal of credits resulting from unencumbered balances of appropriations to the status of the collection of contributions from its member States. Thus, the amount of credit apportioned to a member State will be surrendered only if the contribution for that period has been paid in full. This procedure is in accordance with its Financial Regulations, which provide that, at the end of the 12 months following the end of a financial period, the remaining unspent balance of the appropriations retained after deducting unpaid contributions of member States relating to that financial period will be apportioned among member States and "the amount so apportioned to a member State shall be surrendered to such a member State if its contribution for that financial period has been paid in full".

I. Financial constraints

37. Peace-keeping operations continue to be hampered by the lack of required cash. This is true for both new as well as ongoing operations. Currently, assessments for peace-keeping are made immediately following the receipt of an appropriation from the General Assembly or through the activation of a pre-approved financial authorization, which is generally tied to the continuation or extension of the mandate of the operation by the Security Council. The mandate extensions are generally for periods of six months or less and experience has shown that not all Member States pay their assessments in full and on time. Some assessments are not paid while others are received well

past the end of the mandate periods to which they relate. Consequently, unpaid assessments have accumulated in all the peace-keeping special accounts and this has led to constraints in the timely payment of the amounts due to troop-contributing Governments for troop costs and contingent-owned equipment.

38. Many Governments have expressed concerns about the delay in reimbursement to troop-contributing countries and have stated their concern that this could lead to their withdrawal or inability to contribute further troops to peace-keeping operations.

39. The lack of available required cash has also resulted in the occasional temporary borrowing of any temporary excess cash in special peace-keeping accounts to meet the daily operational requirements of those peace-keeping operations with deficits. Since the payment of assessments cannot be predicted with a high degree of certainty, this approach requires very careful management of these accounts in order to ensure that those not in deficit can make payments when invoices are received.

40. The deficit situation in some of these special accounts has also led to loans being made to them, on an almost permanent basis, from the Peace-keeping Reserve Fund established by the General Assembly in its resolution 47/217 of 23 December 1992 at the level of $150 million. Although the primary purpose of the Reserve Fund was to provide adequate cash flow in order to meet the start-up needs of peace-keeping operations and to buffer temporarily the unpredictable receipt of peace-keeping assessments, this purpose has not been achieved. This is due, in the first instance, to the insufficient funding of the Reserve Fund, since only $64 million in cash out of the $150 million has been made available and, secondly, to the outstanding loans that have been made from the Fund to finance some of the peace-keeping operations.

41. In order to provide adequate cash flow to meet the needs of peace-keeping operations, it is paramount that Member States meet their legal obligations in accordance with Article 17 of the Charter and with the Financial Regulations and Rules of the United Nations. It is also necessary that the balance of $86 million due to the Peace-keeping Reserve Fund be fully funded in accordance with resolution 47/217. In this context, the Secretary-General has proposed that the level of the Reserve Fund be increased to $800 million (A/48/403-S/26450).

IV. PERSONNEL

A. Start-up team roster

42. The early stages of planning and organizing a field mission need to be entrusted to the best qualified, readily available personnel. In order to secure the quality and availability of such personnel, a roster for mission start-up teams will be established in the Secretariat.

43. Such a team will be composed of personnel representing the political, humanitarian and military aspects of the proposed mission as well as personnel qualified to undertake the planning and initial setting up of the operational,

security and ensuing administrative, logistical, procurement, staffing and budgetary analyses relative to the operation.

44. The team will be able to begin the implementation of the mission in the field, establishing the administration and relevant procedures, to be replaced in due course by the staff designated to administer the mission. At that point those members of the start-up team would be available for other new missions. When not actively involved in the establishment of new operations, these staff would be valuable "trouble-shooters" for the Organization, reviewing, inspecting and evaluating the administrative and logistical effectiveness of missions, and otherwise assisting existing missions both in the field and at Headquarters.

B. Stand-by arrangements

45. To date, 18 Member States have agreed to participate in a stand-by arrangements system, to make available on short notice resources for deployment to a peace-keeping mission. Under these agreements, some 30,000 personnel could be made available, the exact numbers and configurations of which would be determined on a case-by-case basis. Under the system, Member States retain the right to decide in each case whether or not to participate in an operation. Negotiations are continuing with other Member States that are considering their participation in the system.

C. Selection and training of police monitors

46. With regard to the need to initiate the selection and appropriate training of civilian police monitors at an earlier stage, a curriculum and standard procedures for training of police monitors are currently under development and a handbook for civilian police is also in preparation.

47. As regards the early selection of civilian police monitors for assignment to peace-keeping operations, Member States are invited to consider the establishment of rosters of qualified national police personnel to receive initial training and familiarization with United Nations operations based on the training materials to be provided who could be made available to future peace-keeping missions.

D. Audit and finance personnel

48. A resident internal auditor will be assigned to each of the large field missions, whose task will be to ensure adherence to the Rules and Regulations of the United Nations governing the conduct of these operations, including financial, staff, procurement and so on. Furthermore, several audits will be organized each year to be performed by Headquarters staff. As an accompanying measure, the concept of roving Finance Officers is being introduced to participate in survey missions at the inception of new missions, advise existing missions, undertake operational status reviews and provide operational support to locations where the staffing situation is critical.

E. Personnel recruited specifically for mission service

49. The promulgation of the revised 300 series of the Staff Rules will greatly improve the ability of the Organization to recruit and deploy staff, at short notice and with minimum overhead costs, for mission service. The new limited duration appointment provides a flexible and cost-effective contractual instrument designed for non-career staff in the Professional, Field Service and General Service categories. Limited duration appointments will minimize administrative delays and overheads by using lump-sum salary and travel arrangements, without the full panoply of allowances and benefits payable to 100 series staff members, which require considerable monitoring, verification and interpretation. Holders of limited duration appointments, unlike holders of special service agreements, will have the status of staff members and thus come under the terms of the Convention on the Privileges and Immunities of the United Nations.

F. Consultants and experts

50. As a rule, Secretariat staff are utilized in the first instance, particularly in core functions, in view of their experience and familiarity with United Nations operations. Experts and consultants are utilized essentially for reasons of internal unavailability or lack of required skills or expertise.

G. Seconded personnel

51. The expansion of field operations has had a serious impact on the ability of the Organization to provide adequately qualified civilian staff; as a result, it has been necessary to augment staffing through the loan or secondment of personnel from Member States and other organizations to work in the field missions or at Headquarters. In its awareness of the great need for additional qualified civilian staff for the field missions, the General Assembly, in its resolution 45/258 of 3 May 1991, urged Member States to provide more personnel to the United Nations. To date, one such agreement for provision of staff on loan has been signed with a Member State, and others are currently being negotiated.

52. International organizations, both within and outside the United Nations system, also provide a limited resource for experienced personnel who could be seconded for peace-keeping operations. Similarly, following the recommendation of the Joint Inspection Unit in its report (A/48/421, annex), regional organizations have been encouraged to second personnel to United Nations field operations.

H. International contractual personnel

53. The use of civilian personnel provided by Governments, assignment of Secretariat staff and staff from within the United Nations system, and an accelerated recruitment procedure for individuals from outside the United Nations system, have all done much to streamline the deployment of staff to

field missions. Recent experimentation with the use of international contractual personnel, as described in the report of the Secretary-General on the use of civilian personnel in peace-keeping operations (A/48/707), represents an innovative approach towards alleviation of the shortage in civilian personnel in existing as well as in future field operations.

54. A pilot project for use of contractual personnel was started in 1992 in the United Nations Protection Force (UNPROFOR) to provide assistance mainly in technical and trade-related areas. Concerns about the procedure ranged from the modalities for selection of the international service agencies to the comparative conditions of service of the contractual personnel. It has none the less become clear that the very tangible advantages of the procedure in terms of both the planning and the implementing capabilities of United Nations field operations would clearly outweigh potential difficulties, provided the latter are adequately addressed. The advantages relate, inter alia, to the accelerated deployment of qualified personnel, improved access to a reservoir of skills not readily available otherwise and reduction of the burden shouldered by both the field administrative staff and Headquarters. The report of the Secretary-General on the use of civilian personnel in peace-keeping operations also contains proposals to utilize such contractual staff in future operations and recommendations for the legal framework within which they would continue to be employed.

I. United Nations Volunteers

55. Because the United Nations Volunteers provide their professional services at modest remuneration, their utilization often results in considerable savings to the Organization. The idea of expanding the use of Volunteers in peace-keeping operations is, therefore, logical at a time when the Organization is making efforts to reduce its costs.

56. The overall recruitment and conditions of service for United Nations Volunteers in peace-keeping operations are set out in a memorandum of understanding signed between the United Nations and the United Nations Development Programme (UNDP)/United Nations Volunteers for each mission in which they participate. In this context, it has been clarified that in matters of entitlements and death and disability benefits, the Volunteers are subject to the specific rules and regulations of the Volunteers programme and are administered independently in their own self-contained units. As regards other conditions in the mission area, such as safety and security, the Volunteers are included in the overall mission arrangements. Experience to date underscores the valuable and cost-effective contribution of Volunteers to the objectives of the peace-keeping missions in which they have served. They are accordingly forming an increasingly vital component of peace-keeping mission staffing, in areas of work that are broadly within the mandate of the United Nations Volunteers programme.

J. Justification for senior-level posts

57. In accordance with General Assembly decision 47/474, and in response to the issues raised in the Advisory Committee in this context, the Secretary-General recently submitted a report on special representatives, envoys and related positions (A/C.5/48/26 and Add.1). Within the context of the substantial growth in peace-keeping and other field missions sanctioned by the Organization, the justification for these posts is clearly derived from the number and variety of demands and the complexities of responsibilities mandated by the legislative organs, which have necessitated multifaceted operations for their implementation.

58. As both the Security Council and the General Assembly have clearly recognized, there are circumstances in which the urgency of a situation requires the immediate dispatch of a special envoy or representative of eminence. The ability to respond swiftly to such emergencies is essential and requires prompt legislative and financial authorization. None the less, with respect to the establishment and filling of such high-level posts, Member States will continue to be consulted in a timely and effective manner.

K. Training of personnel

59. The Advisory Committee highlighted the need to improve financial controls, stressing the need for adequate training of administrative personnel serving in peace-keeping operations, especially in the areas of financial control, procurement, property management and personnel administration.

60. In order to address this issue, plans are under way to develop a comprehensive training programme for new and existing senior administrative staff of United Nations field missions. In particular, the Chief Administrative Officers, Chief Finance Officers, Chief Personnel Officers and Chief Procurement Officers would receive, prior to deployment to the field, detailed training in administration and finance issues to ensure their understanding of the relevant rules, regulations and procedures.

L. Security of personnel

61. Pursuant to a request from the Security Council, contained in a statement made by the President on behalf of the Council (S/25493), a report regarding the security of United Nations operations (A/48/349-S/26358) was submitted by the Secretary-General. The General Assembly, in its resolution 48/37 of 9 December 1993, decided to establish an Ad Hoc Committee to elaborate an international convention dealing with the safety and security of United Nations and associated personnel, with particular reference to responsibility for attacks on such personnel, and requested the Ad Hoc Committee to report to the Assembly at its forty-ninth session. For its part, following consideration of the above-mentioned report regarding the security of United Nations operations, the Security Council adopted resolution 868 (1993) of 29 September 1993, inter alia, encouraging the Secretary-General to take forward those measures proposed in his report falling within his responsibilities with a view, in

particular, to ensuring that security matters were an integral part of the planning for any operation. As indicated in the report to the General Assembly and the Security Council, developments over the past year have highlighted a number of areas in the existing security management system that require strengthening and improvement in order to extend adequate security coverage to all United Nations personnel.

M. Rotation and duration of duty for mission staff

62. In addressing the matter of costs involved in the frequent rotation of field mission staff, it should be noted that the duration of assignments of military and international civilian personnel to the field missions is primarily a factor of the duration of the mandate. In so far as the duration of duty refers to military personnel, the timing of rotations - particularly for the more established missions - is currently under study. As regards civilian personnel, although efforts are always made to retain staff in a mission for the entire duration of that mission, it is not always possible for parent departments to release staff for long periods without compromising essential programmes of the Organization. Where the mission assignment exposes staff to extreme hardship conditions or health risks, a six-month tour of duty may be considered reasonable.

N. Mission subsistence allowance

63. The assignment of staff is in accordance with staff rule 103.21, under which the Secretary-General designates special missions: such missions are normally launched in the context of peace-keeping operations, but they may also include other missions of short to medium duration. Special missions may include two categories of staff: staff who are temporarily detached from their parent duty stations and those who are specifically recruited from outside the United Nations system. Staff in the first category receive the entitlements of their parent duty station; staff in the second category do not receive post adjustment, assignment grant or the mobility and hardship allowances.

64. Mission subsistence allowance represents the total contribution of the Organization towards living expenses incurred in the special mission area, which are determined on the basis of accommodation, food and incidental expenses. Mission subsistence allowance rates are established on a two-tier basis; a higher amount applicable for the first 30 days and a reduced amount applicable thereafter. The first 30-day rate is intended to compensate for start-up expenses. It is usually determined based on hotel costs incurred following immediate arrival in a particular location. The daily subsistence allowance rate for a duty station is taken into account as a reference point in establishing this initial rate. The rate payable after the first 30 days is determined on the basis of longer-term housing costs (rental charges for furnished apartments, including utilities), food and incidental expenses.

65. Additional items may be included in determining a mission subsistence allowance rate to account for particular situations at the duty station: for example, in the case of unfurnished apartments, the rental of basic furniture

and appliances is considered in adjusting the rate; in cases where the supply of electricity is erratic or non-existent, the rental of generators and supply of fuel are also considered. In order to ensure consistency in the determination of mission subsistence allowance rates, all relevant items or expenditure and conditions of life and work in the mission area are taken into account in arriving at the overall level of the allowance.

66. The main difference between daily and mission subsistence allowance rates is that the former are intended to compensate for stays of short duration, whereas the latter normally reflect longer duration in a location. In certain mission areas, personnel may be exposed to hardship conditions. In such cases, the mission subsistence allowance rate may be adjusted upwards to include an element of hardship compensation. This is calculated with reference to the hardship classification of duty stations according to conditions of life and work established by the International Civil Service Commission.

O. Death and disability benefits

1. Contingent personnel

67. The present system of compensation for death, injury and disability suffered by military contingent personnel stems from the status of those contingents. The members of national military contingents are made available by Governments to the United Nations at the request of the Organization; although they serve under the operational control of the United Nations, they remain in their national service while on assignment with a peace-keeping operation. It follows that it is their Government that pays their salaries and remains responsible for their social benefits, subject to reimbursement by the United Nations of the standard rate for pay and allowances for troops.

68. Claims arising from death, injury or illness incurred by individual members of national contingents while performing official duties with a peace-keeping force are settled, in the first instance, by the respective national authorities of the State concerned on the basis of its national legislation. The United Nations then reimburses the troop-contributing State for compensation paid, provided that the State's claim for reimbursement has been duly certified by its auditor-general (or official of similar rank) as based on payment properly made pursuant to specific provisions of national legislation applicable to service in the armed forces of that State.

69. Troop-contributing Governments are reimbursed following the above procedures, unless it is clear from the facts of the case that the individual was injured while on leave and outside the mission area or under circumstances totally outside the performance of official duties.

70. In the light of the views expressed by Member States and by the Advisory Committee, a review has taken place on the policy of reimbursement of compensation. The policy for future claims would specify parameters for equitable compensation and thereby streamline the reimbursement process. The principles governing the policy of reimbursement should be equitable compensation and no reimbursement exceeding actual compensation. The basic

mechanism would remain, with the State concerned settling in the first instance the claims for its contingent personnel, based on the national laws and regulations prevailing for payments to its armed forces. The Member State would then be reimbursed by the United Nations, recognizing the international differences in salary scales and cost of living, on the basis of actual compensation paid, not to exceed a certain maximum amount.

71. With regard to death benefits, the Secretary-General seeks guidance from Member States on the following options:

(a) To apply the policy currently used for military observers whereby reimbursement is limited to twice the annual salary excluding allowances, or $50,000, whichever is lower;

(b) To maintain the current arrangements outlined in paragraph 68 above but subject to a ceiling the Member States may wish to determine.

2. Appendix D

72. At present, all staff recruited locally or internationally for a specific field mission, as well as non-staff such as holders of special service agreements and civilian personnel loaned by Governments, are covered for death and disability benefits by appendix D to the United Nations Staff Rules, unless specifically excluded. Claims under appendix D, and particularly disability claims, require continuous monitoring. As the number of claims increases, so does the administrative burden on both the Advisory Board on Compensation Claims and the Medical Director. From a humanitarian as well as an administrative point of view it is essential to streamline compensation procedures so that the claims of all such personnel are considered and, where possible, resolved before the mission is liquidated. Once the mission is dismantled, it becomes increasingly difficult to obtain the necessary certificates and documentation, to perform the necessary medical examinations and to deliver the annuity payments for which appendix D provides. If appendix D coverage or comparable coverage is to be provided for those staff mentioned above, the Secretary-General will consider the establishment of a local compensation board in the early stages of a mission with authority to examine claims as they are submitted and to authorize lump sum payments instead of annuities whenever feasible, in order to settle claims prior to liquidation of the mission.

73. In view of the overload on the United Nations appendix D administrative machinery, consideration is also being given to changing the compensation provisions for military observers, which are included in the Standard Notes for the Guidance of Military Observers and are essentially unchanged since the late 1940s. Claims could be settled, in the first instance, by the respective national authorities of the State concerned, as is the case with contingents.

P. Pension Fund

74. The possible exclusion from United Nations Joint Staff Pension Fund coverage of local staff appointed for peace-keeping operations raises issues

that have system-wide implications and that should be examined both within the United Nations and the relevant inter-agency forums such as the United Nations Joint Staff Pension Board, the International Civil Service Commission and the Consultative Committee on Administrative Questions. Particular attention should be given to ensuring consistency and equity in treatment, bearing in mind that local staff are employed in large numbers by the United Nations and by the Pension Fund's other member organizations, at many Headquarters and field duty stations. Recent analysis and review of the issue, in the context of revising the 300 Series Staff Rules to streamline the administrative handling of appointments for service of a limited duration, resulted in approval of rule 306.1 which treats 300 series staff exactly the same as other United Nations staff with respect to Pension Fund coverage. Furthermore, there would appear to be no reason to consider any special treatment for truly short-term staff, whether at a Headquarters or a mission location, as under article 21 (a) of the Pension Fund's regulations participation in the Fund requires either an appointment for six months or the completion of six months of service without any interruption of more than 30 days.

Q. Other coverage

75. The feasibility of contracting out a form of workmen's compensation insurance for certain categories of personnel world wide will also be examined.

V. EQUIPMENT

A. Mission start-up kits

76. The need for the Organization to respond quickly to numerous and diverse events has been amply demonstrated in recent years. It had previously been proposed in the report of the Secretary-General on the feasibility and cost-effectiveness of a reserve stock of equipment and supply items for United Nations peace-keeping activities (A/45/493/Add.1) to maintain a revolving reserve stock of certain basic equipment and supplies to allow new missions to become operational and minimally self-sufficient without undue delay. Those reserves which are under consideration - primarily items of urgent necessity - would be maintained in the form of "start-up kits" for small mission configurations, ready for shipment singly or in combination to meet the immediate requirements of any particular mission. The start-up kits would only provide the basic equipment and supplies to initiate the mission, sufficient only for the first few months of operation. Procurement of the additional requirements would begin shortly after authorization to expend was granted, so that the full range of equipment and supplies could be available by the time the deployment was completed.

77. Such a stock of start-up kits would naturally entail significant initial costs, as well as smaller recurring costs for storage and maintenance. However, use will be made of surplus equipment to form the basis of the start-up kits, together with any surpluses from other liquidated missions. Only where necessary will new procurement be undertaken (charged to existing mission budgets) to fill the gaps. The kits would thus be made available as required to

new or expanding missions, the budgets for which would then include the associated costs for replacing any kit withdrawn from the reserve. In this manner, equipment would always be available when needed and the costs would be covered by the missions that drew on the stock. In this way the reserve would be established at minimal additional cost and equipment costs would be appropriately reflected in the budgets of the receiving missions. Personnel to manage the stock at existing facilities would be assigned to this function and paid for as a transitional measure by existing missions.

B. Contingency contracting capability

78. For equipment or supplies that are readily available (i.e. office furniture, bottled water, construction materials, fuel) or may be subject to frequent updates in technology (such as computers or communications equipment) or frequent cost reductions, maintaining a sizeable reserve stock would not be necessary or cost-effective. A preferable method of ensuring the rapid availability of these items, which are generally procured on a recurrent basis for all missions, would be to establish a roster of pre-approved suppliers with agreed-upon prices for standard equipment and supply items, which could then be ordered for immediate delivery as required. A form of this contracting arrangement, which is reviewed and re-bid on a regular basis, is currently in use for the supply of computer equipment and services for field missions.

C. Standard equipment specifications

79. Related to the creation of the Standard Cost Manual described above, standard specifications are being extended for those types of equipment and related supplies (primarily non-military) which are regularly utilized in the missions, to ensure inter- and intra-mission compatibility both for procurement and redeployment purposes.

D. Procurement procedures

80. The timely provision of goods and services to enable the initial deployment of a mission has been addressed above, through the mechanisms of a stock of "start-up kits" and contingency contracts for more readily available items. The increasingly operational nature of peace-keeping missions requires flexibility and immediate response to identified needs; at the same time, the growth in number, size and scope of missions has affected the capacity of the existing procurement system.

81. As a means to address this problem, it is intended to increase further the limits established for the local committees on contracts in the field missions and to expand authorized local procurement areas to more surrounding countries with versatile and competitive markets. This is intended to permit the decentralization of responsibility for certain procurement matters to the field, while maintaining the central Headquarters procurement system for standardized equipment on a global basis, so as to improve timely provision of necessary goods and services.

E. Reimbursement for contingent-owned equipment

82. As pointed out by the Advisory Committee in its report, the procedures for determining reimbursements to Member States for contingent-owned equipment provided to peace-keeping missions have become an overly cumbersome process, both to the United Nations and the contributing countries. Current procedures require the contributor first to provide details concerning the inventory and value of the specific items and quantities of equipment to be provided, following which the contributor and a United Nations representative must certify that the listed equipment has actually arrived with the contingent in the mission area. By this time, an attempt will have been made to place an agreed value on each item. At the time of departure, another survey is conducted jointly by the contributor and the United Nations mission personnel, noting any changes in value due to causes other than normal wear and tear. Delays in submission of the required information, exacerbated by the lack of specific expertise in the United Nations to value the equipment, frequently result in unacceptably late reimbursement to the contributors. As an additional concern, the long-established practice of reimbursement for this equipment (some of which has a useful life expectancy of 20 years or more) by depreciation over four years has been recognized as unreasonably costly to the Organization, particularly in operations of a short duration.

83. In examining alternatives to simplify the process of reimbursing Member States for the equipment deployed with their troop contingents to peace-keeping missions, the established procedures for compensation to Member States for military contingent personnel could be taken as a model. Under this procedure, the mission certifies the contingents' troop strength and reimbursement is provided based on the number of troops actually in the mission area during the reporting period, based on previously agreed numbers and types of troops, according to a clearly specified format of standard costs, applied equally to troops of all contributing countries. Likewise, it is proposed that standard tables of depreciation rates for contingent-provided equipment be prepared, including a standardized list of equipment specified by general type, agreed-upon useful life for the equipment and a set annual depreciation rate (specified both with and without maintenance provided) to be paid for any equipment of each identified type. The tables will list standard items, the estimated useful life and a maintenance factor that provides a general estimate of routine maintenance requirements. One table will indicate the reimbursement rate to be offered for equipment when the United Nations assumes responsibility for maintenance ("dry lease"), the annual rate being equal to the equipment's value divided by its useful life. A second table would indicate the reimbursement rate to be offered for equipment when the contributing Member State provides maintenance ("wet lease"); this annual rate would equal the dry lease rate plus a specified maintenance factor. In preparation of the tables, such equipment would be divided into three broad categories: armoured vehicles, other equipment (military pattern) and other equipment (commercial pattern). The tables would be provided to the Advisory Committee on Administrative and Budgetary Questions and included in the notes to troop-contributing countries. Reimbursements for contingent-owned equipment would be limited to large, easily counted items such as vehicles, generators, communications equipment and so on in order to alleviate the administrative burden of frequent surveys in the mission area. Under this method, both the Organization and the contributing country would

avoid protracted negotiations on the "value" factor in the reimbursement formula.

F. Bilateral provision of equipment

84. In simplifying the procedures for reimbursements to contributors for contingent-owned equipment, it is hoped that effective arrangements can be made for the provision of equipment to contingents of Member States not in a position to provide their own equipment. This matter has been addressed briefly in the report of the Secretary-General on improving the capacity of the United Nations for peace-keeping (A/48/403-S/26450), which indicates that arrangements between Member States to match troops and equipment well in advance of requested deployment to peace-keeping missions would alleviate problems associated with both underequipped and inadequately trained troops in peace-keeping operations. Such provisions of equipment from one Member State to the forces of another would be reimbursed according to the same formula as for self-provided contingent-owned equipment. Member States are invited to give this matter further consideration.

VI. TRANSPORT AND OTHER OPERATION ISSUES

A. Ready transport capability

85. Currently, the United Nations is deploying in and out of peace-keeping missions approximately 150,000 troops per year. Frequently the deployment of these troops must be conducted on a last-minute basis, which limits the ability of the Organization to benefit fully from the standard competitive bidding process. Similar requirements for the transport of equipment amount to a high volume of freight shipments on a regular basis. While offers from Member States for military lift assistance are welcome, the associated costs are often substantially higher than equivalent commercially contracted services. The Secretariat is therefore examining the possibility of entering into contractual arrangements, through the standard bidding process, which should provide quick turnaround of proposals and bids so as to maintain access, at short notice, to carriers capable of airlifting large numbers of personnel and equipment for initial mission establishment and liquidation, as well as troop rotations. Similarly, the Organization has also recently begun to institutionalize long-term planning for peace-keeping operations by planning for the issuance of two- to three-year contracts (with 30-day cancellation clauses) for certain aviation services, so as to benefit from the inherent cost savings and greater efficiency.

86. With regard to other modes of transport, the Secretariat, in concert with the troop-contributing countries, routinely considers surface movement of contingents where appropriate as a means of deploying forces. Rail and bus transportation has recently been used to move contingents in support of UNPROFOR and the United Nations Operation in Mozambique (ONUMOZ); road and sea transportation was also used to move contingents in support of the United Nations Transitional Authority in Cambodia (UNTAC). In addition, since surface transport continues to be the primary method used for freight, the Secretariat

is examining the feasibility of entering into contractual arrangement on a global basis to meet freight-forwarding requirements of the field missions in the most expeditious and cost-effective manner.

B. Provision of services to troops

87. The Advisory Committee recommended in its report (A/47/990) that the Organization should review its role in the provision of certain services (e.g. laundering, tailoring, haircutting, access to telephone facilities and other services) to contingent personnel of peace-keeping missions. It must be recognized that these basic services are necessary and provided as a matter of course to ensure the health and welfare of the troops. If such services were not provided by the Organization through local vendors, the troop contributor would be obliged to arrange for their provision as a component of the contingent. It has thus been determined that normally the most practical and economical manner of providing these necessary services is, as currently practised, through the use of local contractors.

C. Air travel

88. Air travel in connection with peace-keeping operations can be separated into three distinct types of travel: travel of military personnel and troop rotation travel; travel of large civilian groups for activities related to peace-keeping (such as observation of elections); and assignment and reassignment travel of United Nations staff to posts in the administration and substantive servicing of peace-keeping missions.

1. Travel of military personnel and troop rotation travel

89. In keeping with the practices of Member States that supply troops to peace-keeping operations, the travel of military personnel is provided at the most economical airfares possible. Owing to the nature of the travel (large groups of travellers at the same time from one specific location to another), the United Nations is able to obtain extremely low airfares for such trips.

90. However, significant additional costs are incurred for accompanied luggage of military personnel. These troops are expected to be fully functional immediately upon arrival at their destination. It is therefore necessary for them to carry their personal equipment with them. Separate shipment would invariably involve delays. Also, in many instances there are no facilities to receive incoming shipments in the area of operation. It has therefore been found that the use of accompanied luggage is the only reliable way for military personnel to be fully functional on arrival in the mission area.

2. Travel of large civilian groups for activities related to peace-keeping (such as observation of elections)

91. The Secretariat is frequently called upon to arrange for the movement of large groups of civilians (including personnel provided by Governments and from the United Nations Secretariat) to specific locations to assist in connection with peace-keeping-related activities such as the observation of elections.

92. The Secretariat initially tried to reduce its costs by inviting bids and awarding the work to a specific contractor. However, the resulting travel arrangements caused serious problems when events forced even a slight change in travel dates of election observers. The Secretariat was also required to pay cancellation charges for observers who could not travel at the last moment.

93. As a result, the Secretariat decided to utilize the service of the travel service contractor at Headquarters to issue tickets for such travel. The Secretariat negotiated directly with airlines to achieve reduced airfares for election observers from a multitude of origins. Travel of these personnel was with the most economical airfare structure available.

94. Significant savings over regularly applicable airfares were in part possible owing to the number of travellers involved, the fact they all travelled around the same time and the fact that straight round-trip tickets could be utilized.

3. Assignment and reassignment travel of United Nations staff to posts in the administration and substantive servicing of peace-keeping missions

95. The United Nations assigns staff members from duty stations around the world to serve with peace-keeping operations in the field. It also recruits staff specifically for posts in missions. Travel on recruitment and assignment/reassignment is governed by the standards of accommodation decided upon by the General Assembly. The current provisions have been in effect since 1 January 1988. These provisions are applicable equally to travel of staff members on assignment to peace-keeping missions and to staff on official business, such as attending meetings.

96. The basic standards of accommodation for air travel of United Nations staff members is economy class or the least costly airfare structure regularly available. Higher standards may be authorized based upon the rank of the traveller (Assistant Secretary-General and above) and the duration of the flights involved (nine hours or more). The standard of accommodation for travel of staff members of the United Nations is the subject of a report of the Secretary-General to be submitted to the current session of the General Assembly for its consideration. The standards applicable to staff on assignment to peace-keeping missions should be examined in the context of the overall policy on the standards of accommodation for travel. However, careful consideration should be given to ensuring the ability of the Secretary-General to staff these missions properly and to avoid the introduction of rules that might

differentiate between staff travelling for peace-keeping missions and those travelling for other official duties.

97. Owing to the duration of the assignment (usually six months or more) and the absence of a specific return date, staff members travel to assignments with peace-keeping operations on one-way tickets. Most discounted round-trip airfares have a maximum validity of three months. Bearing in mind the types of most tickets purchased by the United Nations, the Secretariat has made every effort to negotiate with air carriers in order to obtain reduced airfares for frequently travelled destinations and itineraries to which regular discounted fares do not apply.

98. Considering the type of travel involved in the assignment of staff to peace-keeping operations and the fact that most of these trips are individual itineraries spread over an extended period of time, the Secretariat is making every effort to make the most cost-effective use of its resources when arranging travel for staff members.

D. Portable and temporary accommodation

99. In response to the comments regarding provision of prefabricated housing for international staff and/or troops made by the Advisory Committee in its report (A/47/990), it must be stressed that mission accommodation needs are indeed linked to local living conditions and availability of suitable accommodations, and likewise reliant to some extent on the compliance of the host Government/authority. Often the availability of housing and/or office facilities is limited in mission areas, which has necessitated the use of portable buildings. In all cases, however, every available means of providing the necessary accommodation is explored, with resort to use of portable buildings only when there is no other feasible option. Accordingly, whenever economically feasible on cost/benefit grounds, the option will be seriously pursued of constructing housing or other facilities for mission staff and troops rather than relying on the use of rented or portable accommodation when free accommodation is not provided by host authorities.

E. Operational support manual

100. In an effort to address, on a larger scale, the improvement of the efficiency of the Organization in planning and support of peace-keeping operations, a United Nations operational support manual project was initiated last year with the support and coordination of several Member States. The objective of this project, in conjunction with the survey mission handbook described above, is to develop a compendium of operational and procedural guidelines for the support of peace-keeping missions.

F. Technological improvements

101. The Secretariat has made strong efforts to establish office automation and standardization in and between field missions using microcomputer technology, as

discussed in the report of the Secretary-General on the status of technological innovations in the United Nations (A/C.5/47/18, paras. 79-90). Before the end of the year, the administrative support functions of all missions are scheduled to be fully automated, using specialized standard software, and most will be electronically linked with Headquarters. The standard software includes an automated procurement system as well as inventory management. The transport system monitors the productivity/efficiency and maintenance requirements of each vehicle and manages the stock of spare parts. The personnel system automates personnel management in the mission, from maintenance of records to administration of leave. The local payroll and finance system standardizes and automates financial tasks from budgets to performance reports to periodic financial statements; this system will subsequently be interfaced with the procurement system to ensure accuracy by eliminating the need for manual transfers of information. In addition, electronic mail and other telecommunications-based tools for peace-keeping operational support are being developed to provide Headquarters with a seamless communications and data exchange network to and between field missions. Activities in the areas of automation and telecommunications will be implemented with adherence to established United Nations standards in order to ensure compatibility throughout the operations of the Secretariat.

G. Self-insurance issues

102. The tremendous increase in peace-keeping operations has necessitated a concomitant increase in the size of the United Nations vehicle fleet, resulting in a similar increase in the total cost of third-party vehicle liability insurance - albeit without any increase in the cost per vehicle. The Advisory Committee in its report requested a re-examination of the cost of third-party vehicle insurance in view of its high cost compared to a presumed lower world-wide standard cost for such insurance, with consideration given to the possibility of self-insurance as an alternative.

103. Primary coverage for vehicle third-party liability is generally provided locally, for reasons of both cost and administrative efficiency, as well as in response to national regulations in many host countries, which stipulate that local third-party insurance must be secured for all vehicles. At the same time, all vehicles are also enrolled in a world-wide umbrella policy so as to cover any liability beyond the local limits up to a maximum of $1 million per incident.

104. With the undertaking of large new peace-keeping operations in Cambodia, Somalia, the former Yugoslavia and Mozambique, the cost-effectiveness and efficiency of local insurance was carefully assessed and found to be both more costly and more administratively cumbersome than the alternative of establishing primary coverage through the Headquarters insurer. The vehicle fleets from these missions are therefore fully insured at Headquarters. Thus, while the amount paid for insuring these vehicles may in fact be higher than the standard world-wide premium noted above, it refers to the full coverage against third-party liability (in what are considered to be war zones, typically subject to the highest insurance premiums), at substantially lower cost than provision of such insurance locally.

H. Host country agreements

105. It is the policy of the Organization to ensure that mission host country agreements include provision of free premises and free or subsidized utilities. Consequently, every effort is being made, prior to the establishment of mission operations, to solicit from the host Government office premises for the staff and, where applicable, water, electricity and other facilities either free of charge or at the most favourable rates. Advance negotiation of these requirements have recently met with success in the United Nations Observer Mission in Liberia (UNOMIL) and the United Nations Assistance Mission for Rwanda (UNAMIR). Efforts are similarly being stepped up to renegotiate existing status-of-forces agreements and status-of-mission agreements to ensure that host Governments, where they exist, meet their obligations. However, it is quite clear that these agreements must be in place before mission deployment is allowed to begin. Vigorous efforts will be made to conclude host country agreements before deployment.

106. On the same note, the Assembly may also wish to give consideration to the possible initiation of "good neighbour" agreements with countries neighbouring a mission area, which often play a crucial role in the logistical support of the mission. Such agreements would formalize the unique relationship with the United Nations and the privileges and immunities specifically relating to the conduct of the mission.

VII. LIQUIDATION

A. Security procedures during mission liquidation

107. Recent experience has highlighted the need for early planning and preparation for the liquidation of a mission to enable the process to be completed quickly and efficiently. At the same time, the importance of retaining adequate security arrangements during the liquidation phase has also been clearly illustrated. While at the stage of liquidation the mandate of the mission has presumably been completed, it must be considered that the function is not complete until the full withdrawal of material as well as human resources. This phase of the operation must be included in the early planning and discussion of the concept of operations. Sufficient contingent military personnel will be retained in the mission area as appropriate to ensure the safety and security of the mission's civilian personnel and assets throughout the liquidation phase.

B. Disposition of assets

108. The Advisory Committee in its report has requested proposals for clear guidelines, principles and procedures for the disposition of assets following liquidation of a peace-keeping operation, taking into consideration the liquidation experience in recent operations. The liquidation of UNTAC over the past months has indeed given the Organization a fresh opportunity to review and define procedures for disposition of assets and transfer of equipment under such circumstances.

109. With the increasing number of peace-keeping operations world wide, transfer of equipment to other missions for their use or for storage in anticipation of upcoming missions is the preferred mode of disposition of equipment since such transfers result in reduced costs for receiving missions. To the extent that the receipt of transferred equipment to a mission is known or anticipated prior to the completion of budget estimates, such anticipated transfer is taken into consideration in those estimates. A mission's budget estimates therefore reflect its gross equipment requirements, reduced by the quantity of equipment transferred from other missions, all priced at standard unit cost rates.

110. The mission's equipment and other property shall be disposed of in the manner indicated below, following the liquidation of a peace-keeping mission:

(a) Equipment in good condition that conforms to established standardization or is considered compatible with existing equipment will be redeployed to other United Nations operations elsewhere in the world or will be placed in reserve to form the start-up kits for use by future missions;

(b) Equipment not required by other peace-keeping missions but which may be useful for operations of other United Nations agencies, international organizations or non-governmental organizations and which it is not feasible to keep in reserve, will be sold to a relevant agency or organization;

(c) Any equipment or property not required or which it is not feasible to dispose of in the above manner or which is in poor condition will be subject to commercial disposal within the country, following standard United Nations regulations and procedures;

(d) Any surplus mission assets remaining after disposition under the terms referred to under paragraphs (a) to (c) above, and/or any assets which have already been installed in the country and which, if dismantled, would in fact set back the rehabilitation process of the country, will be contributed to the duly recognized Government of the respective country. This refers in particular to airfield installations and equipment, bridges and mine-clearing equipment. Such contributions would be reported ex post facto to the General Assembly.

VIII. ECONOMY MEASURES FOR PEACE-KEEPING OPERATIONS

111. Recognizing the need to ensure maximum economy and efficiency in peace-keeping operations, the Secretariat has an ongoing programme for their review. This includes introduction of an improved management structure for the administration of missions and cost-effective modalities for its implementation. During the last two years, successful introduction of the following improvements in the efficiency and effectiveness of peace-keeping operations has resulted in reduced requirements.

Reassessment of requirements for missions

112. A comprehensive restructuring of UNDOF, UNIFIL and the United Nations Truce Supervision Organization in Palestine (UNTSO) has been undertaken, generating savings of approximately 15 per cent in real terms for UNIFIL, 30 per cent for

UNDOF and 12 per cent for UNTSO compared with 1992. In the case of ONUMOZ, as a result of integrated planning, expansion of the mission (over 1,000 civilian police) is being met through a systematic review of all requirements, including the phasing out of military contingents so as to minimize any increase in the budget.

Contractual staff and United Nations Volunteers

113. Alternative cost-effective sources of recruitment have generated considerable savings to the Organization: greater use of United Nations Volunteers, particularly as electoral observers (e.g. UNTAC and ONUMOZ); assistance with rehabilitation and humanitarian activities (the United Nations Operation in Somalia (UNOSOM), ONUMOZ and UNOMIL); and in the technical field, such as engineers, radio technicians, mechanics and so on (UNTAC).

114. The use of international contractual personnel to carry out technical functions in field missions under the supervision of regular United Nations staff has been implemented in UNPROFOR and has proved successful.

Local staff

115. The Organization recruits local staff for administrative support to peace-keeping operations wherever possible. Experienced international General Service staff are essential, however, particularly in the early start-up stages of a mission and to train and supervise local support staff. The new 300 series will make it possible to recruit and administer local staff in a more cost-effective manner. The second constraint, in many conflict areas, is that local staff may not be able to move freely or be deployed where needed.

Air operations

116. As a result of an integrated air assets policy, the Organization frequently resorts, in the first instance, to existing missions for aircraft needs for emergency operations, instead of chartering from Governments or commercial organizations. This arrangement, although placing pressure on existing operations, has enabled the Organization to contain costs at a minimum. As an example, this was successfully implemented in the evacuation from UNAMIR, where aircraft from Somalia were used to provide logistics support and evacuation from Rwanda. Continuous review of air asset deployment has resulted in millions of dollars of cost avoidance.

Travel

117. The United Nations has implemented more efficient travel arrangements, as mentioned above, such as the maximum use of charter/group travel arrangements for military observers, civilian police and electoral observers; charter of aircraft for troop movements; and special fares from a number of commercial carriers.

Office automation

118. Since 1992, the Secretariat has embarked on a major programme of automation in the area of field administration and logistics. This has included implementation of an automated procurement inventory and asset management system, an up-to-date accounting and reporting system, a computerized transport management system and a computerized personnel management system, along with introduction of other personal computer-based logistic support systems. These initiatives have contributed to efficient management practices.

Engineering

119. The practice of carrying out minor repairs to infrastructure, including roads and bridges, has had the effect of generating savings in air operations, as well as leaving an improved infrastructure behind after completion of the mission. In the case of UNTAC, engineering projects concentrated on repairing roads and bridges across the country to enable contingents and electoral observers to travel by road instead of resorting to expensive air transport.

Disposal of assets

120. Beginning with UNTAG and now successfully implemented in UNTAC, a standard policy for asset disposal was established for liquidation of missions. This enabled the Organization, for example, to transfer more than $90 million worth of UNTAC assets to other missions and/or store them at low cost for future use.

IX. CONCLUDING REMARKS

121. An attempt has been made in the present report to address the major issues that will affect the successful operation and administration of peace-keeping operations. A great deal of effort has already gone into development of planning frameworks and other aids to improve the management of peace-keeping operations; there remains much to be done to achieve the goals that have been set. The pace at which these proposals can be concluded will of course depend upon the availability of resources, not the least of which would include personnel and financial resources to enable greater Headquarters support during the crucial early stages of missions.

122. The General Assembly may wish to take note of the present report and to endorse the proposals therein, particularly those related to commitment authority (para. 15); peace-keeping budget cycle (paras. 17-22); death and disability benefits for contingent personnel (paras. 67-71); mission start-up kits (paras. 76 and 77); reimbursement for contingent-owned equipment (paras. 82 and 83); bilateral provision of equipment (para. 84); host country agreements (paras. 105 and 106); and disposition of assets (paras. 108-110).

123. With the support of the Member States in the initiatives outlined above and provision of the necessary resources, the Organization can go forward with greatly improved capacity to implement and manage peace-keeping operations, fully prepared to meet the challenges ahead.

ANNEX I

Summary of issues raised by the Advisory Committee on Administrative and Budgetary Questions with actions taken and recommendations

Paragraph in document A/47/990	Summary of issue	Action taken and/or recommendations	Paragraph in the present report
3 and 4	Improved presentation of performance reports, including proposed and actual staffing tables	Development of improved performance report and budget submission formats, relying less on text and including more extensive analytical tables and graphic illustrations.	29-31
5	Report to the Security Council on deployment of military and police personnel over and above authorized strength	Observation accepted and agreed.	-
6	Justification for the establishment of new high-level posts	Report (A/C.5/48/26 and Add.1) issued on the matter.	57 and 58
7	Requests for additional resources to be clearly presented and justified	Same comment applies as 3 and 4 above.	17 - 22
7	Secretary-General's report on financing of peace-keeping operations to contain detailed organigrams	Same comment applies as 3 and 4 above.	17, 25
8	Volume of documentation in peace-keeping financial reports to be reduced and include more tables and graphs	Same comment applies as 3 and 4 above.	17, 25
9	Reports of the Secretary-General to include an improved presentation of voluntary contributions	Voluntary contributions to be included in all financial submissions; impact of the contributions on related budget items to be identified in the text.	-
10	Clear definition of the role of assessed budgets for humanitarian and development activities	Proposal for assessment as part of a technical survey of overall humanitarian needs when considering a new operation; mission budget to include activities as required for the successful implementation of the mission mandate.	14

Paragraph in document A/47/990	Summary of issue	Action taken and/or recommendations	Paragraph in the present report
11	Request for secondment of civilian personnel from Governments for non-core functions	Pursuing secondment of personnel from Member States and other international organizations.	51 and 52
12	Improved selection and training of police monitors	Training curriculum, procedures and handbook for police monitors are under preparation; Member States are requested to create rosters for rapid deployment.	46 and 47
13	Calculation of staff costs based on New York standards	A generic staff cost table is being prepared, based on a world-wide average of costs in various missions.	26 and 27
15	Specific guidelines for participation of civilian personnel provided by Governments	Specific guidelines for the use of civilian personnel have been developed (see A/48/707).	51 and 52
16	Improved training of administrative personnel serving in peace-keeping operations	Initial staffing of field missions by mission start-up teams is proposed; detailed field-specific training of administrative staff to be given prior to deployment.	59 and 60
16	Strengthening the functions of internal audit, evaluation, investigation and management advisory service in missions	Assignment of resident internal auditors.	48
17	Use of consultants and experts for technical and other assistance in peace-keeping operations	Consultants to be utilized only when appropriate skill or expertise cannot be found within the resources of the Organization.	50
18	Use of international contractual personnel	Use of international contractual personnel (see A/48/707).	53 and 54
19	Use of and conditions for United Nations Volunteers	Use of Volunteers in peace-keeping operations to be expanded; collaboration covered in mission-specific agreements with UNDP/UNV, which administers Volunteers independently according to established regulations.	55 and 56
20	Determination of mission subsistence allowance and other allowances	Explanation given.	63-66

Paragraph in document A/47/990	Summary of issue	Action taken and/or recommendations	Paragraph in the present report
22	Use of surface transportation for rotation and repatriation of troops to nearby countries	Surface transport services have been and will continue to be used for personnel and equipment.	85 and 86
23	Host country obligations	Status-of-Forces/mission agreements to be negotiated in advance of deployment of future missions; existing agreements are being renegotiated as possible.	105 and 106
24	Unnecessary use of prefabricated units for accommodation	Construction of premises will be undertaken when economically feasible rather than use of prefabricated buildings.	99
25	Review of all entitlements, allowances and duration of duty of military and civilian personnel	Review was undertaken to establish reasonable length of duty.	63-66
26	Provision of services to contingent troops	Cost to the mission will be higher if each contingent provides such services for itself; costs to be specified in future budgets.	87
26	Review of death and disability benefits for military contingent personnel	Proposal to revise policy for reimbursement of death and disability payments on behalf of contingent troops.	67-71
27	Participation of local staff in the United Nations Joint Staff Pension Fund	Recommendation for review by the secretariat of the United Nations Joint Staff Pension Fund.	74
27	Provision of adequate death and disability coverage for all personnel employed in peace-keeping operations	Recommendation for local compensation boards to be set up in field missions to administer appendix D benefits for mission-appointed staff; alternatively, commercial workers' compensation coverage must be arranged.	72 and 73
28	Review of the system for reimbursement of contingent-owned equipment to troop-contributing countries	Recommendation that reimbursement for contingent-owned equipment should be limited to large, easily counted items, according to an agreed schedule for standard valuation, useful life and depreciation.	82 and 83

Paragraph in document A/47/990	Summary of issue	Action taken and/or recommendations	Paragraph in the present report
29	Budgetary reflection of transfers of equipment from one mission to another	Liquidation policy used in UNTAG and UNTAC proposed as basis for equipment transfer in future.	108-110
30	Procurement for peace-keeping operations	Expand the use of contingency contracting procurement methods.	78
31	Acquisition of equipment compatible with the needs of the mission	Standard equipment specifications based on actual field requirements are being established to ensure compatibility, efficiency and cost-effectiveness.	79
32	Cost of air operations	Long-term planning is being institutionalized, including longer-term leases for aircraft as well as use of contingency contracting for air services.	88-98
33	Allocation of vehicles	Explanation/justification of allocation of vehicles included in the (performance report) submission.	31
34	Cost of third-party vehicle insurance	Review of third-party liability undertaken by the Secretariat; possibility for limited self-insurance for war risk also under review.	102-104
35	Funding of public information activities for the promotion of peace-keeping operations	Recommendation that costs for public information activities specifically targeted to inform the local population about election monitoring, disarmament and so on should be paid from the mission budgets.	28
36	Provision of funding of posts from the Support Account for Peace-keeping Operations	Addressed as part of the report of the Secretary-General on the Support Account.	-
37	Need for a list of costs and explanations for standard equipment and services used in peace-keeping operations for preparation of budget estimates	Standard Cost Manual in the process of being updated.	26 and 27
38	Internal audit to be substantially strengthened both in the mission area and at Headquarters	Proposal to assign resident internal auditors to missions.	48

Paragraph in document A/47/990	Summary of issue	Action taken and/or recommendations	Paragraph in the present report
39	Lack of guidelines and procedures for the disposition of assets following mission liquidation	As above, policies used in UNTAG and UNTAC are proposed as the basis for guidelines on the disposition of assets after mission liquidation.	108-110
41	Non-payment or late payment of contributions to peace-keeping operations	Recommendation addressed to Member States (see A/48/565).	37-41
42	Adoption of a 12-month financial period	Endorse recommendation of a 12-month financial period for peace-keeping budgets as stated in document A/48/565.	-

ANNEX II

United Nations survey mission handbook

Summary of topics

I. INTRODUCTION

Institutional context: legislative basis, organizational procedures.

II. MANDATE OF THE MISSION

Terms of reference, composition, activities.

III. LIAISON AND RECONNAISSANCE

Geopolitical review.
Operation-specific and security review.
Establishing contact with local authorities.
Establishing contact with other international entities.
Establishing the United Nations presence.
Evaluation and risk analysis.

IV. MISSION ANALYSIS

Concept of operations.
Security considerations.
Proposed organization.

V. ADMINISTRATION ANALYSIS (Assessment of support requirements)

Logistics: Accommodation.
Technical infrastructure and services.
Security.
Rations.
Signals and communication.
Procurement and supply.
Transportation/movement control.
Storage and warehousing.
Maintenance and repair facilities/services.
Health services and medical supply.

Finance: Fiscal situation/currency regulations.
Factors likely to influence the mission subsistence allowance.
Financial services.

Personnel: Number and type of support personnel needed.
Visa and customs regulations.
Welfare and recreation services.
Availability and quality of local personnel.

General services: Postal services.
Office equipment and supplies.
Determination of availability of local resources.

VI. STRUCTURE OF THE MISSION

Composition.
Scope of authority.
Lines of command.

VII. SPECIAL PROGRAMMES (as applicable)

Civilian affairs.
Electoral processes.
Humanitarian affairs.
Information programme.
Other programmes.

VIII. DURATION OF THE MISSION

Preparation: Headquarters instructions and procedures.
Briefings.
Country study.
List of principal contacts.
Itinerary of the mission.
Equipment for the team.
Procedures for contact with Headquarters.
Travel arrangements.

On-site phase: Reconnaissance.
Report coordination.

Wrap-up phase: Reporting to Headquarters.
Mission analysis.
Administrative analysis.
Logistic planning factors.
Determination of logistic requirements.

ANNEX III

United Nations Standard Costs Manual

Categories of costs

1. Civilian

   (a) International staff salaries;

   (b) Common staff costs;

   (c) Staff assessment;

   (d) Hazardous duty station allowances;

   (e) Mission subsistence allowances;

   (f) Regional travel costs.

2. Military

   (a) Reimbursement of troop costs;

   (b) Contingent-owned equipment;

   (c) Death and disability.

3. Transport - vehicles

   Acquisition costs.

4. Transport - air operations

   Acquisition costs.

5. Communications equipment

   Acquisition costs.

6. Data-processing equipment

   Acquisition costs.

7. Accommodation equipment

   Acquisition costs.

8. Other equipment

   Acquisition costs.

ANNEX IV

Proposed standard list of annexes for peace-keeping budgets

	Description
	Introductory page
I	Summary of detailed cost estimate covering the current mandate period
II	Phased budget (start-up and recurrent costs)
III	Supplementary information to the cost estimate (current mandate)
IV	Cost estimate covering the 12 months beyond the current mandate period
V	Supplementary information to the cost estimate (12 months)
VI	Organigram
VII	Proposed civilian staffing table, by department and grade
VIII	Job descriptions, if different from standard
IX	Ratio analysis
X	Proposed deployment of military and civilian staff
XI	Civilian staff and related costs
XII (a)	Vehicle establishment by department
XII (b)	Summary of requirements for vehicles (financial)
XIII	Summary of requirements for air operations (helicopter/fixed wing) (financial)
XIV (a)	Summary of requirements for communications equipment, by department
XIV (b)	Summary of requirements for communications equipment (financial)
XV (a)	Summary of requirements for computer equipment, by department
XV (b)	Summary of requirements for computer equipment (financial)
XVI	Bar chart showing proposed deployment of military and civilian personnel, month-by-month

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